

N00B
Social Services
Department of Human Resources

Operating Budget Data

(\$ in Thousands)

	<u>FY 12</u> <u>Actual</u>	<u>FY 13</u> <u>Working</u>	<u>FY 14</u> <u>Allowance</u>	<u>FY 13-14</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$347,488	\$342,368	\$400,080	\$57,712	16.9%
Contingent & Back of Bill Reductions	0	0	-140	-140	
Adjusted General Fund	\$347,488	\$342,368	\$399,940	\$57,572	16.8%
Special Fund	8,103	6,072	7,956	1,884	31.0%
Contingent & Back of Bill Reductions	0	0	-3	-3	
Adjusted Special Fund	\$8,103	\$6,072	\$7,953	\$1,881	31.0%
Federal Fund	194,970	250,237	208,532	-41,706	-16.7%
Contingent & Back of Bill Reductions	0	0	-211	-211	
Adjusted Federal Fund	\$194,970	\$250,237	\$208,320	-\$41,917	-16.8%
Adjusted Grand Total	\$550,561	\$598,677	\$616,214	\$17,537	2.9%

- Two deficiency appropriations are included in the allowance. The first is to resolve a fiscal 2009 disallowed federal fund reimbursement claim (\$9.6 million), and the second provides general funds to replace a portion of the Foster Care Title IV-E appropriation that is not expected to be attained (\$40.8 million).
- General funds increase by 16.8%, and federal funds decrease by an equal amount reflecting the lowered expectation of Foster Care Title IV-E federal fund attainment and the replacement with general funds. If the deficiency appropriations are factored in, the general fund increase between fiscal 2013 and 2014 is 1.8%, and federal funds decline by 0.5%.

Note: Numbers may not sum to total due to rounding.

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Personnel Data

	<u>FY 12 Actual</u>	<u>FY 13 Working</u>	<u>FY 14 Allowance</u>	<u>FY 13-14 Change</u>
Regular Positions	2,905.61	2,892.61	2,892.61	0.00
Contractual FTEs	<u>9.35</u>	<u>1.00</u>	<u>10.50</u>	<u>9.50</u>
Total Personnel	2,914.96	2,893.61	2,903.11	9.50

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	206.53	7.14%
Positions and Percentage Vacant as of 12/31/12	246.00	8.50%

- Regular positions remain unchanged between the current year working appropriation and the fiscal 2014 allowance.
- Contractual positions increase by 9.5 reflecting the transfer of the Foster Care Title IV-E Eligibility Determination Unit from the Department of Human Resources (DHR) Administration.

Analysis in Brief

Major Trends

Children Reside in Permanent Homes: Performance related to timely reunifications declined for the third straight year; however, the number of adoptions exceeded the goal.

Children Are Safe from Abuse and Neglect: Performance related to safety was mixed with improvements in some measures and decline in others. Overall, the goals were not met in fiscal 2012. **DHR should comment on the challenges it faces in meeting all of its child welfare Managing for Results goals and the steps it is taking to improve performance.**

Issues

Reliance on Federal Foster Care Title IV-E Funding Is Reduced in the Allowance but Underattainment Risk Still Remains: A \$40.8 million general fund deficiency is included in the allowance for fiscal 2013 necessitated by declining attainment of IV-E funding. DHR is taking steps to improve its ability to claim IV-E reimbursement.

Child Welfare Staff-to-caseload Ratio Continues to Exceed Minimum Recommended Level: After many years of understaffing, the number of filled child welfare caseworker positions has exceeded the minimum recommended levels for the second year in a row. Shortfalls in filled caseworker positions still exist in three jurisdictions, and twelve jurisdictions do not have a sufficient number of filled supervisor positions to meet the minimum recommended level.

Recommended Actions

1. Add language to N00G00.01 restricting the general fund appropriation for Foster Care Maintenance Payments to that purpose only or for transfer to Child Welfare Services.
2. Add language to N00G00.03 restricting the general fund appropriation for Child Welfare Services to that purpose only or for transfer to Foster Care Maintenance Payments.
3. Adopt committee narrative requesting a report on child welfare caseload data.

Updates

Child Fatalities Involving Abuse or Neglect Reported: DHR reported the number of child fatalities in which child abuse or neglect was a factor for calendar 2007 through 2011. There were 27 such fatalities in 2012.

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Operating Budget Analysis

Program Description

The Social Services Administration (SSA) supervises child welfare social service programs provided through Maryland's Local Departments of Social Services that are intended to prevent or remedy neglect, abuse, or exploitation of children; preserve, rehabilitate, or reunite families; help children to begin or continue to improve their well-being; prevent children from having to enter out-of-home care when services can enable them to remain safely in their own homes; and for children who need out-of-home care, provide appropriate placement and permanency services. The administration is responsible for Child Welfare policy development, training and staff development, monitoring and evaluation of local department programs, oversight of development and maintenance of the child welfare information system (Maryland Children's Electronic Social Services Information Exchange), and all other aspects of program management.

SSA supervises adult social services programs for vulnerable adults and individuals with disabilities. This service delivery system protects vulnerable adults, promotes self-sufficiency, and avoids unnecessary institutional care. These services are delivered in a manner that maximizes a person's ability to function independently.

The key goals of SSA are that:

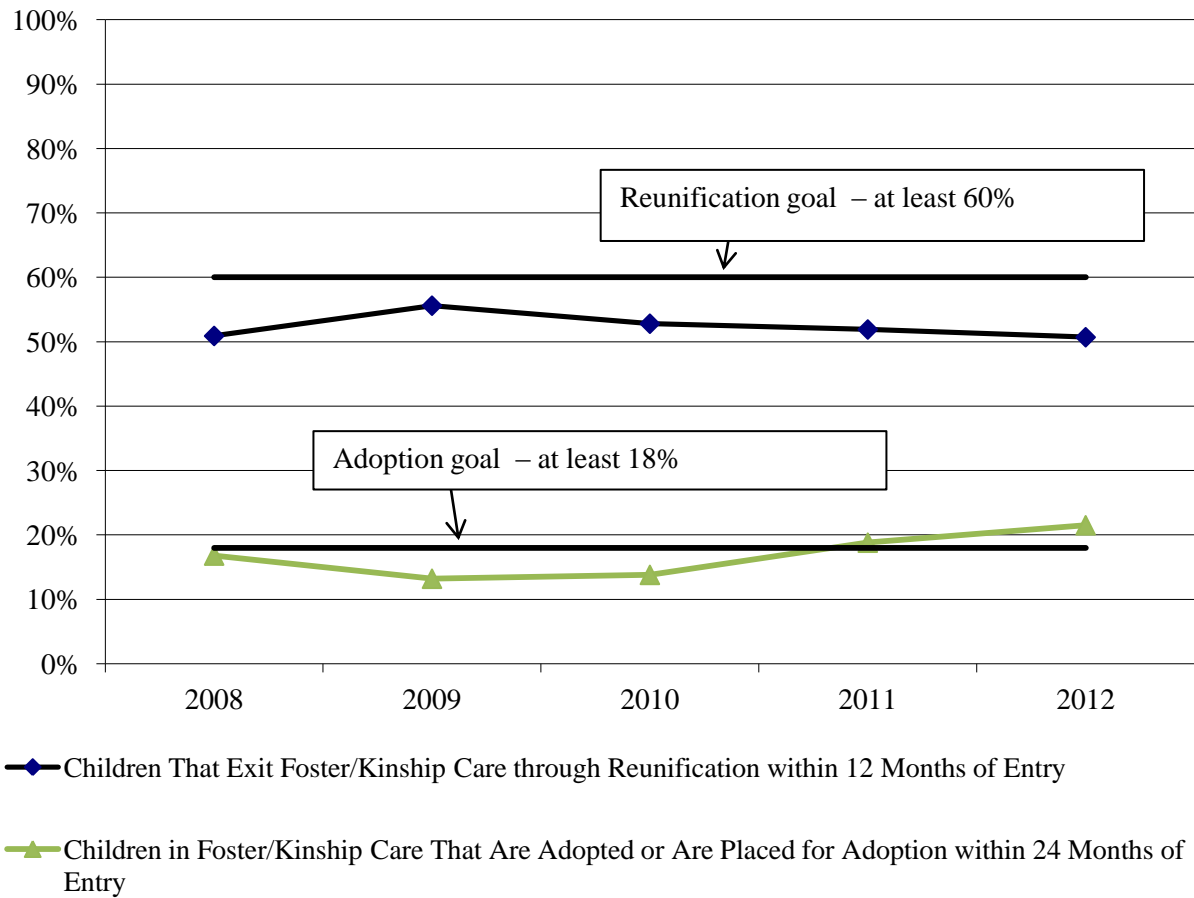
- children served by the Department of Human Resources (DHR) reside in permanent homes;
- children served by the department are safe from abuse and neglect;
- individuals served by Adult Services are safe from abuse (including neglect, self-neglect, and exploitation); and
- individuals served by Adult Services achieve their maximum level of independence.

Performance Analysis: Managing for Results

1. Children Reside in Permanent Homes

Exhibit 1 shows the percent of children leaving foster/kinship care through reunification that do so within 12 months of entry and the percent of children in foster/kinship care that are adopted or placed for adoption within 24 months of entering the child welfare system.

Exhibit 1
Exits from Foster Care through Reunification or Adoption
Fiscal 2008-2012

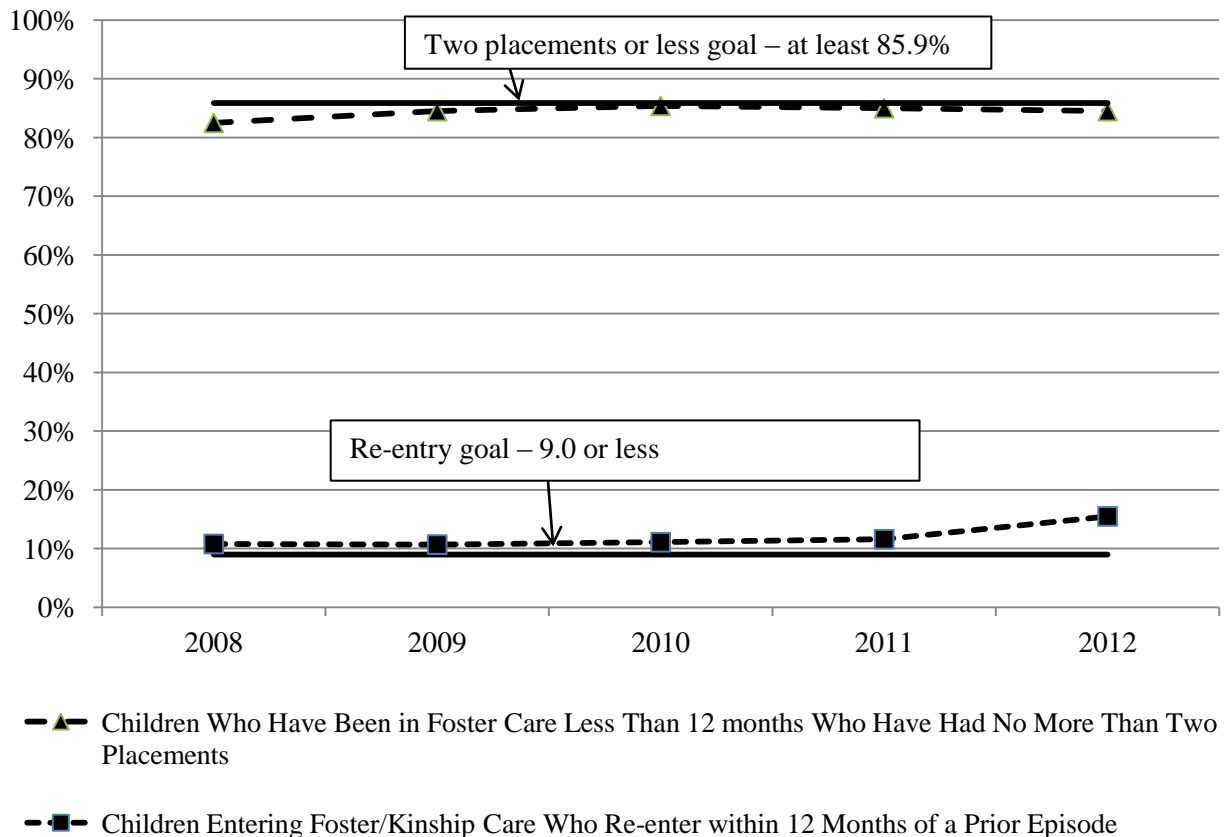


Source: Governor's Budget Books, Fiscal 2010-2014

The solid lines show the goals for each of these measures. With respect to the goal of reunification within 12 months of entry, performance declined for the third straight year in 2012, falling to 50.7% from a high of 55.6% in fiscal 2009. With respect to adoptions, DHR exceeded the 18.0% goal in 2012 with a rate of 21.5%.

Exhibit 2 shows the percent of children who have been in foster care less than 12 months who have had no more than two placement settings and the percent of children re-entering care within 12 months of exiting care to reunify with their family of origin. DHR did not meet either of these goals in 2012. Performance on two or fewer placements declined slightly but was just lower than the goal. Re-entries, however, spiked up in 2012 to 15.5% from 11.6% the previous year.

Exhibit 2
Placement Stability and Permanent Exit from Care
Fiscal 2008-2012

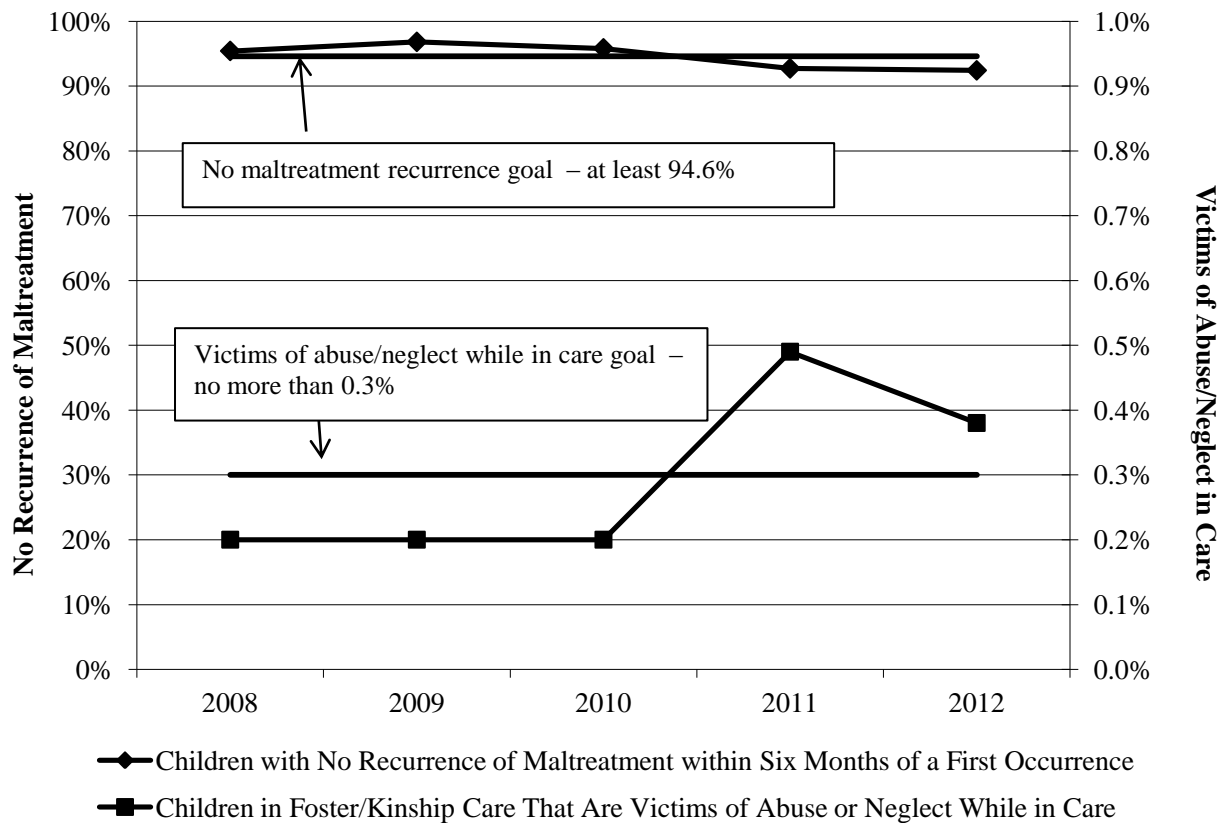


Source: Governor's Budget Books, Fiscal 2010-2014

2. Children Are Safe from Abuse and Neglect

Exhibit 3 shows the percent of children with no recurrence of maltreatment within six months of a first occurrence and the percent of children in foster/kinship care who are victims of abuse or neglect while in care. With respect to no recurrence of maltreatment, DHR had been meeting the goal but following a federally required change in the methodology used for calculating safety measures, the fiscal 2011 number was revised downward and no longer exceeded the goal. Performance in fiscal 2012 decreased slightly from the revised 2011 number. There was also an upward spike in 2011 in the percent of children who were victims of abuse or neglect while in care. Performance on this measure improved in 2012, but the goal was not met. **DHR should comment on the challenges it faces in meeting all of its child welfare Managing for Results goals and the steps it is taking to improve performance.**

Exhibit 3
Children Served by DHR Are Safe from Abuse and Neglect
Fiscal 2008-2012



DHR: Department of Human Resources

Source: Governor's Budget Books, Fiscal 2010-2014

Fiscal 2013 Actions

Proposed Deficiency

There are two proposed fiscal 2013 deficiency appropriations for DHR Social Services, both in the Child Welfare Services program. The first is a general fund appropriation of \$9,606,858 to resolve a disallowed Title IV-E reimbursement claim from fiscal 2009. The second deficiency reduces the federal Title IV-E appropriation by \$40,769,889 and replaces it with an equal general fund appropriation. This brings the IV-E attainment estimate more in line with the amount of IV-E funding actually attained in fiscal 2012.

Proposed Budget

As shown in **Exhibit 4**, the fiscal 2014 budget for DHR Social Services increases by \$17.5 million over the current year working appropriation. Personnel expenses account for \$6.0 million of the increase driven primarily by retirement contributions (\$3.9 million), employee and retiree health insurance contributions (\$2.2 million), and the annualized salary increase that went into effect for half of fiscal 2013 (\$1.6 million). These increases are partially offset by additional turnover (-\$1.0 million), resetting vacant positions to base salary (-\$0.4 million), and a lower Workers' Compensation assessment (-\$.4 million).

The major nonpersonnel increases comprise a shift in the foster care caseload mix to higher cost placements (\$5.7 million), a 2.5% rate increase for institutional foster care providers including group home providers (\$4.9 million), the transfer of the Foster Care Title IV-E Eligibility Determination Unit from DHR Administration (\$445,000), restoration of funding to assist Marylanders wishing to become adoptive families (\$400,000), and an increase in the block grant to Montgomery County which operates its own child welfare programs (\$354,000).

Exhibit 4
Proposed Budget
DHR – Social Services
(\$ in Thousands)

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Total</u>
2013 Working Appropriation	\$342,368	\$6,072	\$250,237	\$598,677
2014 Allowance	<u>400,080</u>	<u>7,956</u>	<u>208,532</u>	<u>616,567</u>
Amount Change	\$57,712	\$1,884	-\$41,706	\$17,891
Percent Change	16.9%	31.0%	-16.7%	3.0%
Contingent Reductions	-\$140	-\$3	-\$211	-\$354
Adjusted Change	\$57,572	\$1,881	-\$41,917	\$17,537
Adjusted Percent Change	16.8%	31.0%	-16.8%	2.9%

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Where It Goes:

Personnel Expenses

Retirement contributions	\$3,899
Employee and retiree health insurance.....	2,188
Annualized general salary increase	1,577
Reclassifications.....	159
Accrued leave payout.....	-132
Workers' compensation premium assessment	-356
Vacant positions reset to base salary	-398
Increased turnover	-959
Other fringe benefit adjustments	-7

Protecting Children and Adults

Shift in foster care caseload to higher cost placements	5,743
Rate increase for institutional foster care providers	4,905
Title IV-E eligibility unit transferred in from DHR Administration	445
Adoptions Together funding restoration	400
Montgomery County block grant	354
Vehicle fuel and maintenance	193
Security guard services contract.....	152
IV-E training contract.....	113
Child welfare attorney contracts	102
Kinship Care Resource Center contract	-252
Telephone, cell phone, and postage costs.....	-284

Other **-\$305**

Total **\$17,537**

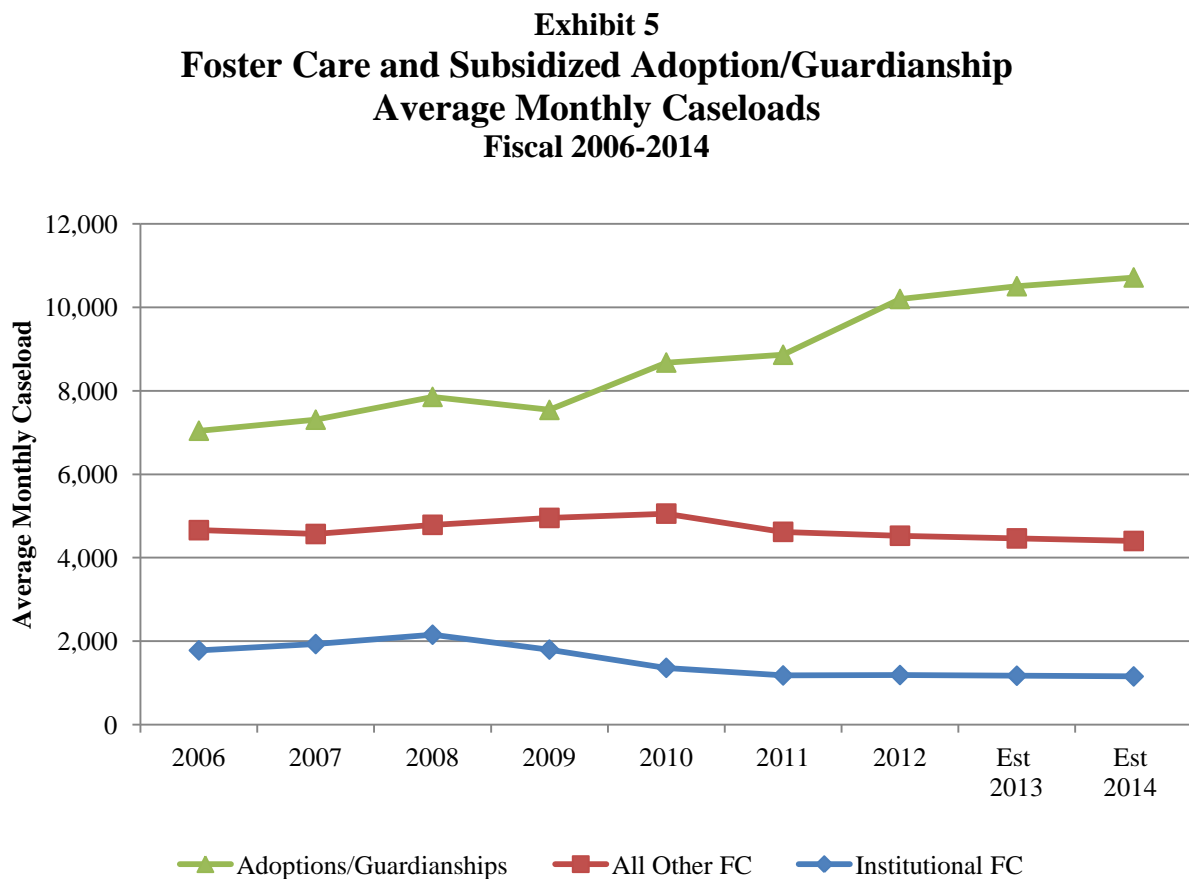
DHR: Department of Human Resources

Note: Numbers may not sum to total due to rounding.

Section 6 of House Bill 102, the Budget Reconciliation and Financing Act of 2013, caps rates set by the Interagency Rates Committee for group home providers at no more than 2.5% over the rates in effect on January 16, 2013. Savings across the budget are estimated to be negligible. Last year rates were capped at 1%. Funds are included in the allowance to pay for a 2.5% rate increase.

Foster Care and Subsidized Adoption/Guardianship Caseload and Expenditure Trends

Exhibit 5 shows the average monthly foster care and subsidized adoption/guardianship caseloads from fiscal 2006 through 2014. The fiscal 2013-14 numbers are estimates of the Department of Legislative Services (DLS). Starting in fiscal 2012, the trends for the three components shown have been fairly consistent. The number of subsidized adoptions and guardianships has continued to increase while the numbers of institutional and other foster care placements have gradually declined. These trends reflect the philosophy behind the Place Matters Initiative, which DHR has followed for many years. Adoptions and guardianships provide permanency for children who have entered the foster care system.



FC: foster care

Source: Department of Human Resources; Department of Legislative Services

Exhibit 6 shows foster care and adoption/guardianship caseload and expenditure data for fiscal 2012 and the DLS estimates for fiscal 2013 and 2014. The DLS estimates differ from the DHR assumptions upon which the budgets for fiscal 2013 and 2014 were built.

Exhibit 6
Foster Care and Subsidized Adoption/Guardianship
Caseload and Expenditure Trends
Fiscal 2012-2014

	<u>2012*</u>	<u>DLS</u> <u>Estimate</u> <u>2013</u>	<u>DLS</u> <u>Estimate</u> <u>2014</u>	<u>% Change</u> <u>2012-2013</u>
Monthly Caseload				
Foster Care	5,714	5,634	5,555	-1.4%
Subsidized Adoption/Guardianship	10,199	10,505	10,715	2.0%
Total	15,913	16,139	16,270	0.8%
Monthly Cost Per Case	\$1,477	\$1,591	\$1,597	0.4%
Expenditures (in Millions)				
General Funds	\$208.8	\$234.5	\$237.2	1.2%
Total Funds	\$306.4	\$332.5	\$336.2	1.1%
Surplus\Shortfall (Compared to Budget)		-\$2.3	\$1.4	

*Fiscal 2012 expenditures do not include \$24.8 million in incurred expenses for which payment was deferred.

DLS: Department of Legislative Services

Source: Department of Human Resources; Department of Legislative Services

DLS is projecting that the foster care caseload will continue to decline and that the number of subsidized adoptions and guardianships will continue to increase over the three-year period. Based on the DLS estimates, the fiscal 2013 budget has a shortfall of \$2.3 million, and the fiscal 2014 budget has a surplus of \$1.4 million. Both these amounts are less than 1% of total funding and changes in the caseload mix during the year could easily increase or decrease costs by these amounts. Therefore, no budgetary action is recommended for either year.

Although DHR carried over \$24 million in accrued expenses from fiscal 2012 into 2013, it indicates that it is confident that with the IV-E funding adjustments included in the allowance (see Issue 1) and the additional funding provided to eliminate the TANF balance shortfall, it can close

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fiscal 2013 with little or no carry-over of expenses into fiscal 2014. **DHR should comment on the sufficiency of funding in its fiscal 2013 and 2014 budgets to meet current projected needs without the need to carry accruals into future years.**

Issues

1. Reliance on Federal Foster Care Title IV-E Funding Is Reduced in the Allowance but Underattainment Risk Still Remains

Background

Title IV-E Foster Care is a federal program which reimburses child welfare agencies for a portion of the monthly maintenance payments for the daily care and supervision of eligible children; administrative costs to manage the program; training of staff and foster care providers; recruitment of foster parents; and costs related to the design, implementation, and operation of a statewide data collection system.

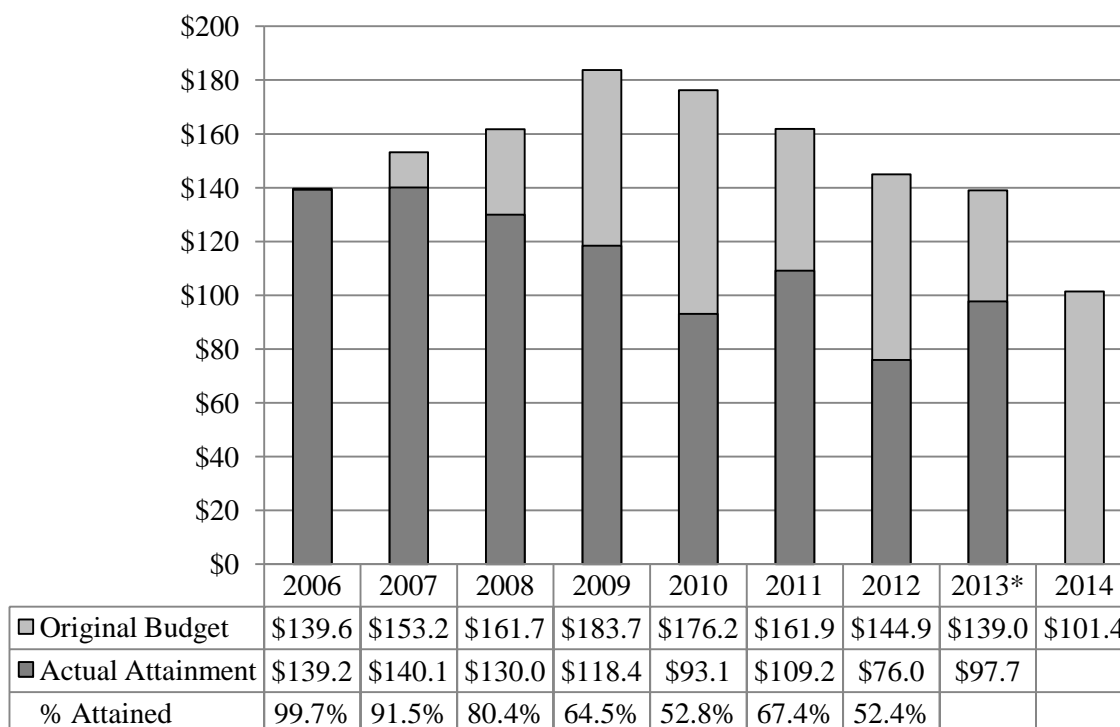
To be eligible for IV-E reimbursement, the household from which a child is removed must meet the income eligibility requirement for Aid to Families of Dependent Children, based on the standards that were in place on July 16, 1996. In addition, the court order for the removal of the child from the home must include a finding that the continuation of the child in his/her own home would be “contrary to the welfare of the child” and that reasonable efforts were made to prevent the removal of the child from his/her family or to facilitate the return of the child who had been removed. Documentation for all eligibility requirements must be maintained for each child.

The rates at which expenses are reimbursed are calculated by multiplying the “penetration rate” (calculated by dividing the number of IV-E eligible children by the total number of foster children) by the Federal Financial Participation (FFP) rate for each category of reimbursement. Maintenance payments and administrative costs use a 50.0% FFP whereas training costs are calculated at a 75.0% FFP. As an example, with a 50.0% penetration rate (half the foster care population meeting IV-E eligibility requirements) maintenance payments and program administration costs would be reimbursed at a rate of 25.0% (.5 penetration rate X .5 FFP = .25 reimbursement rate). Training costs would be reimbursed at 37.5% with a 50.0% penetration rate. Maryland currently has a penetration rate of just over 32.0% which yields a 16.0% reimbursement for maintenance and administrative costs and a 24.0% reimbursement for training costs.

Budgeted vs. Actual IV-E Attainment

Exhibit 7 compares the level of IV-E funding assumed in DHR’s budget as introduced with the actual level of funding attained for fiscal 2006 through 2012 and shows the original and the working appropriation for fiscal 2013 and the allowance for fiscal 2014. In fiscal 2006, the actual attainment was close to the amount originally budgeted. Since that time, however, both the attainment rate and dollar amount received has steadily decreased. Fiscal 2012 marks the low point in this seven-year period with an attainment rate of just 52.4% and reimbursements totaling just \$76 million.

Exhibit 7
Foster Care Title IV-E: Original Budget v. Actual Attainment
Fiscal 2006-2014
(\$ in Millions)



Note: For fiscal 2013 the “Actual Attainment” shown represents the working appropriation. The actual attainment will not be known until the end of the fiscal year.

Source: Maryland State Budgets, fiscal years 2006-2004; Department of Legislative Services

A significant contributor to the poor performance in fiscal 2012 was the federal requirement that beginning July 1, 2011, penetration rate calculations must be based on data from a state’s statewide automated child welfare information system. In Maryland this system is known as Maryland’s Children’s Electronic Social Services Information Exchange (MD CHESSIE). Despite MD CHESSIE being fully operational, up until July 1, 2011, DHR was still calculating IV-E claims using hand counts from each jurisdiction which yielded a higher penetration rate, suggesting that the all required documentation was not being entered, or not entered correctly, into MD CHESSIE. This issue was the subject of the single audit finding that pertains specifically to the Social Services Administration in the most recent DHR Local Department Operations audit released in May 2012. The audit finding summary is included in Appendix 2 of this analysis.

Fixing the Problems

The fiscal 2014 allowance includes a deficiency appropriation that reduces the level of IV-E funding assumed for fiscal 2013 by \$40.8 million and replaces it with general funds. A second deficiency appropriation resolves a fiscal 2009 IV-E reimbursement claim that was disallowed by the federal government. DHR has also taken several steps to improve its ability to claim IV-E reimbursement including amending the State IV-E plan to allow reimbursement for preplacement services, hiring a consultant to provide guidance on steps that can maximize reimbursement opportunities, and transferring the IV-E Eligibility Unit to the Social Services Administration in order to centralize and standardize the IV-E eligibility determination process.

Preplacement services, efforts intended to prevent children from entering the foster care system, were the subject of the disallowed claim in 2009. The State's IV-E Plan did not specify preplacement services as an eligible activity. DHR has revised the State IV-E Plan to make these activities eligible and plans to begin claiming for pre-placement services beginning April 1, 2013. **DHR should brief the committees on the status of its efforts to increase IV-E funding.**

2. Child Welfare Staff-to-caseload Ratio Continues to Exceed Minimum Recommended Level

For many years, DHR struggled to maintain a sufficient number of filled child welfare caseworker and supervisor positions to adequately address the caseload it faced. In 1998, the General Assembly passed the Child Welfare Workforce Initiative requiring DHR and the Department of Budget and Management to ensure that staffing levels were sufficient to meet staff-to-caseload ratio recommendations developed by the Child Welfare League of America (CWLA). In the ensuing years, many of Maryland's jurisdictions still did not have sufficient filled positions to meet the CWLA recommended staffing ratios as high caseload levels and high turnover in child welfare positions resulted in chronic understaffing.

Beginning in 2007, DHR made changes to the way it managed the child welfare caseload. It launched the Place Matters Initiative, which emphasized keeping children with their families whenever safely possible, reducing reliance on out-of-home group care, and minimizing the length of stay when removal from the home is necessary. DHR also adopted the Family Centered Practice model which involves working with families, both formally and informally, to enhance their capacity to care for and protect their children. It focuses on the needs and welfare of children within the context of their families and communities. These two initiatives have helped to reduce the caseload to the point where on a statewide aggregate level the number of filled caseworker positions exceeds the CWLA recommended minimum level and the shortfall in filled supervisor positions has fallen to 18.

Some local jurisdictions however, have not yet reached the recommended staffing levels. Three jurisdictions (Baltimore, Calvert, and St. Mary's counties) currently do not meet the recommended staffing levels for caseworkers. Twelve jurisdictions currently are not meeting the

staffing levels as it relates to supervisors. **Exhibit 8** shows, by jurisdiction, the number of filled positions as of December 1, 2012, the number required to meet the CWLA standards based on the caseload reported for September 2012, and the surplus or shortage in filled positions based on the standards. The “Hold Harmless” shortfall at the bottom of the exhibit reflects the fact that filled positions cannot be transferred between jurisdictions and is the number of additional positions that would need to be filled in jurisdictions not meeting the standards in order for all jurisdictions to be in compliance.

In response to questions regarding jurisdictions exceeding the minimum staffing recommendations, DHR notes that the CWLA standards do not take into account long-term absences due to illness or other unforeseen circumstances. In order to rebalance positions between jurisdictions that exceed the minimum recommended staffing levels and those not yet meeting them, DHR has instituted an internal review process that allows vacant positions to be filled only if failing to do so would result in the jurisdiction falling below the minimum recommended staffing level.

DHR should brief the committees on its efforts to bring all jurisdictions into compliance with the minimum recommended staffing levels, especially with respect to supervisory positions.

Exhibit 8
Child Welfare Position Status by Local Department
As of December 1, 2012

<u>County</u>	<u>CWLA Caseworker Standard</u>	<u>Filled Worker Positions</u>	<u>Over/ Under</u>	<u>CWLA Supervisor Standard</u>	<u>Filled Supervisor Positions</u>	<u>Over/ Under</u>
Allegany	20.54	39.00	18.46	4.11	6.00	1.89
Anne Arundel	58.67	83.80	25.13	11.73	16.00	4.27
Baltimore City	454.03	606.50	152.47	90.81	87.50	-3.31
Baltimore	124.58	121.05	-3.53	24.92	17.00	-7.92
Calvert	19.18	16.50	-2.68	3.84	2.00	-1.84
Caroline	14.64	15.00	0.36	2.93	3.00	0.07
Carroll	18.68	28.00	9.32	3.74	4.00	0.26
Cecil	34.50	36.00	1.50	6.90	4.00	-2.90
Charles	27.07	34.00	6.93	5.41	4.00	-1.41
Dorchester	11.40	17.00	5.60	2.28	3.00	0.72
Frederick	34.05	40.50	6.45	6.81	6.00	-0.81
Garrett	10.15	16.00	5.85	2.03	2.00	-0.03
Harford	42.71	51.00	8.29	8.54	8.00	-0.54
Howard	24.29	32.00	7.71	4.86	3.00	-1.86
Kent	3.15	7.00	3.85	0.63	1.00	0.37
Prince George's	126.01	132.00	5.99	25.20	17.00	-8.20
Queen Anne's	7.01	10.00	2.99	1.40	2.00	0.60
St. Mary's	31.79	24.60	-7.19	6.36	3.00	-3.36
Somerset	9.06	16.00	6.94	1.81	2.00	0.19
Talbot	6.50	10.00	3.50	1.30	4.00	2.70
Washington	50.60	58.50	7.90	10.12	10.00	-0.12
Wicomico	20.69	34.00	13.31	4.14	7.00	2.86
Worcester	16.71	18.50	1.79	3.34	4.00	0.66
Total	1,166.03	1,446.95	280.92	233.21	215.50	-17.71
"Hold Harmless" Shortfall			-13.41			-32.3

CWLA: Child Welfare League of America

Note: The "Hold Harmless" shortfall reflects the fact that filled positions cannot be transferred from jurisdictions exceeding the CWLA standards to those jurisdictions experiencing a shortfall. Therefore, an additional 8.47 caseworker and an additional 10.31 supervisor positions would need to be filled in jurisdictions not meeting the standards in order for all jurisdictions to have the requisite number of filled positions.

Source: Department of Human Resources; Department of Budget and Management; Department of Legislative Services

Recommended Actions

1. Add the following language to the general fund appropriation:

Further provided that these funds are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose except that funds may be transferred to program N00G00.03 Child Welfare Services. Funds not expended or transferred shall revert to the General Fund.

Explanation: This language restricts general funds appropriated for foster care payments to that use only or for transfer to N00G00.03 Child Welfare Services which is where child welfare caseworker positions are funded.

2. Add the following language to the general fund appropriation:

, provided that these funds are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose except that funds may be transferred to program N00G00.01 Foster Care Maintenance Payments. Funds not expended or transferred shall revert to the General Fund.

Explanation: This language restricts general funds appropriated for child welfare services to that use only or for transfer to N00G00.01 Foster Care Maintenance Payments.

3. Adopt the following narrative:

Child Welfare Caseload Data: The committees believe that maintaining an adequate child welfare workforce is essential to improving outcomes for children entering the State's care. Therefore, in order to maintain oversight of this important issue, the committees request that the Department of Human Resources (DHR), on December 1, 2013, report to the committees on the actual number of cases and filled positions assigned, by jurisdiction, for the following caseload types using data current within 70 days:

1. Intake Screening;
2. Child Protective Investigation;
3. Consolidated Home Services;
4. Interagency Family Preservation Services;
5. Services to Families with Children – Intake
6. Foster Care;

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7. Kinship Care;
8. Family Foster Homes – Recruitment/New Applications;
9. Family Foster Home – Ongoing and Licensing;
10. Adoption;
11. Interstate Compact for the Placement of Children; and
12. Casework Supervisors.

Information Request	Author	Due Date
Report on caseload data and filled positions assigned by jurisdiction for specified caseload types	DHR	November 29, 2013

Updates

1. Child Fatalities Involving Abuse or Neglect Reported

Committee narrative included in the 2005 *Joint Chairmen's Report* requested DHR to provide a report listing, by jurisdiction, the number of child fatalities that involved child abuse and/or neglect. The narrative requested that the report be updated annually. **Exhibit 9** displays the data provided by the department for calendar 2007 through 2011.

Exhibit 9
Child Deaths Reported to DHR Where Child Abuse or Neglect Are Determined
by DHR Staff to Be a Contributing Factor
Calendar 2007-2011

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Total</u>
Allegany			1		1	2
Anne Arundel	1	1	2	1	3	8
Baltimore City	5	2	4	2	3	16
Baltimore	4	6	1	3	5	19
Calvert						0
Caroline					1	1
Carroll	1	1	1			3
Cecil	1	2	1	1	3	8
Charles			1			1
Dorchester	2		2			4
Frederick	6	1	3	3	2	15
Garrett		1				1
Harford	2		1	2		5
Howard		1			1	2
Kent		1				1
Montgomery	5		2		5	12
Prince George's	5	1	1		1	8
Queen Anne's				1		1
St. Mary's	1			1	1	3
Somerset						0
Talbot						0
Washington	1	1	3	1		6
Wicomico			1		1	2
Worcester				1		1
Total	34	18	24	16	27	119

DHR: Department of Human Resources

Source: Department of Human Resources

Current and Prior Year Budgets

Current and Prior Year Budgets DHR - Social Services (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2012					
Legislative Appropriation	\$346,974	\$2,770	\$252,096	\$0	\$601,841
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	514	6,127	8,495	0	15,135
Reversions and Cancellations	0	-794	-65,621	0	-66,415
Actual Expenditures	\$347,488	\$8,103	\$194,970	\$0	\$550,560
Fiscal 2013					
Legislative Appropriation	\$342,368	\$5,703	\$249,277	\$0	\$597,348
Budget Amendments	0	369	960	0	1,329
Working Appropriation	\$342,368	\$6,072	\$250,237	\$0	\$598,677

Note: Numbers may not sum to total due to rounding.

Fiscal 2012

The budget for DHR Social Services closed out \$51.3 million lower than the legislative appropriation. Budget amendments increased funding by a net \$15,135,365, but this increase was more than offset by year-end cancellations totaling \$66,415,395.

Budget amendments were used to add funds for the one-time \$750 employee bonuses, add spending authority for additional special and federal funds, and to reallocate funds between programs in the year-end closing. Funding added for the one-time employee bonuses totaled \$2.2 million and comprised \$1,276,847 general, \$29,024 special, and \$924,288 federal funds. In addition to this funding, the year-end closing amendments recognized attainment of an additional \$6,097,906 from various special funds and an additional \$7,570,436 in federal Medical Assistance funds. The majority of the additional special funds came from three sources: Child Support Foster Care Offset (\$4,090,825), additional local government contributions (\$1,472,592), and funding from Local Education Agencies to pay for educational services provided by group home providers (\$524,470.)

The special fund cancellation of \$794,467 represented unattained local government contributions for foster care maintenance payments and for adult services. The federal fund cancellation of \$65,620,888 was primarily attributable to underattainment in the Child Welfare Services program of IV-E Foster Care, but also reflected under attainment of Medical Assistance and the over budgeting of Social Services Block Grant funding and lower than budgeted spending in the Social Services Administration program for training initiatives and for Promoting Safe and Stable Families initiatives. The cancellation in the Social Services Administrations accounted for \$5.6 million of the total federal fund cancellation.

Due mainly to the under attainment of IV-E Foster Care funding, DHR also deferred payment of \$47.7 million in accrued expenditures in the DHR Social Services budget. The bulk of the deferred payments are general fund related (\$43.1 million) with federal fund deferrals totaling \$4.6 million and a special fund deferral of just over \$1,000. Payment of these expenses with fiscal 2013 funds shorts the fiscal 2013 budget by an equal amount.

Fiscal 2013

The fiscal 2013 working appropriation for DHR Social Services is \$1.3 million higher than the legislative appropriation and reflects the addition by budget amendment of funds for the general salary increase (\$368,590 special and \$960,040 federal).

Audit Findings

Audit Period for Last Audit:	April 4, 2008 – June 30, 2011
Issue Date:	May 2012
Number of Findings:	1
Number of Repeat Findings:	0
% of Repeat Findings:	n/a
Rating: (if applicable)	n/a

Finding 2: Foster care case files were missing or did not include all required documentation and the eligibility of certain children in foster care for federal aid was not determined timely.

Note: This finding was part of the audit of the Department of Human Resources Local Department Operations. Finding 2 was the only finding that applied specifically to the Social Services. The full summary of the Local Department Operations audit can be found in the budget analysis for DHR Administration.

**Object/Fund Difference Report
DHR – Social Services**

<u>Object/Fund</u>	<u>FY 12 Actual</u>	<u>FY 13 Working Appropriation</u>	<u>FY 14 Allowance</u>	<u>FY 13 - FY 14 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	2,905.61	2,892.61	2,892.61	0.00	0%
02 Contractual	9.35	1.00	10.50	9.50	950.0%
Total Positions	2,914.96	2,893.61	2,903.11	9.50	0.3%
Objects					
01 Salaries and Wages	\$ 187,132,262	\$ 199,397,963	\$ 205,722,365	\$ 6,324,402	3.2%
02 Technical and Spec. Fees	2,216,048	1,731,658	2,070,290	338,632	19.6%
03 Communication	1,984,120	1,877,557	1,536,832	-340,725	-18.1%
04 Travel	1,804,602	1,212,790	1,191,157	-21,633	-1.8%
06 Fuel and Utilities	509,671	551,798	505,075	-46,723	-8.5%
07 Motor Vehicles	1,690,485	1,479,998	1,671,453	191,455	12.9%
08 Contractual Services	38,135,278	38,292,628	42,663,229	4,370,601	11.4%
09 Supplies and Materials	1,149,352	756,850	756,618	-232	0%
10 Equipment – Replacement	3,625	350,000	350,000	0	0%
11 Equipment – Additional	73,464	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	304,525,706	338,900,940	346,277,818	7,376,878	2.2%
13 Fixed Charges	11,335,912	14,124,767	13,822,626	-302,141	-2.1%
Total Objects	\$ 550,560,525	\$ 598,676,949	\$ 616,567,463	\$ 17,890,514	3.0%
Funds					
01 General Fund	\$ 347,487,742	\$ 342,367,941	\$ 400,080,249	\$ 57,712,308	16.9%
03 Special Fund	8,102,880	6,071,740	7,955,505	1,883,765	31.0%
05 Federal Fund	194,969,903	250,237,268	208,531,709	-41,705,559	-16.7%
Total Funds	\$ 550,560,525	\$ 598,676,949	\$ 616,567,463	\$ 17,890,514	3.0%

Note: The fiscal 2013 appropriation does not include deficiencies. The fiscal 2014 allowance does not include contingent reductions.

**Fiscal Summary
DHR – Social Services**

<u>Program/Unit</u>	<u>FY 12 Actual</u>	<u>FY 13 Wrk Approp</u>	<u>FY 14 Allowance</u>	<u>Change</u>	<u>FY 13 - FY 14 % Change</u>
04 General Administration – State	\$ 18,591,262	\$ 26,823,239	\$ 27,285,995	\$ 462,756	1.7%
01 Foster Care Maintenance Payments	306,402,950	316,359,300	327,007,417	10,648,117	3.4%
03 Child Welfare Services	183,759,517	212,419,924	218,565,707	6,145,783	2.9%
04 Adult Services	41,806,796	43,074,486	43,708,344	633,858	1.5%
Total Expenditures	\$ 550,560,525	\$ 598,676,949	\$ 616,567,463	\$ 17,890,514	3.0%
General Fund	\$ 347,487,742	\$ 342,367,941	\$ 400,080,249	\$ 57,712,308	16.9%
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Federal Fund	194,969,903	250,237,268	208,531,709	-41,705,559	-16.7%
Total Appropriations	\$ 550,560,525	\$ 598,676,949	\$ 616,567,463	\$ 17,890,514	3.0%

Note: The fiscal 2013 appropriation does not include deficiencies. The fiscal 2014 allowance does not include contingent reductions.